

We understand what it means to be a neutral third-party administrator. In all of our operations across all programs, we always provide clear channels in which to record disputes, perform research and operational checks to determine their origin and voracity, offer potential resolutions, and, when appropriate, escalate them to the proper authorities. We plan to use our existing dispute processes and trouble ticketing systems for administering the NANP. Further, we will adopt whatever dispute processes are necessary to support all types of disputes, including those brought to and made by NANC.

Lockheed Martin understands that the assignment of number resources and other NANPA operations must be based on industry guidelines. We also understand that our internal assignment/denial processes must be operationally sound and all industry guidelines must be faithfully adhered to, especially the INC 95-0407-008 Central Office Code (NXX) Assignment Guidelines and INC 95-0127-006 Carrier Identification Code (CIC) Guidelines. Through our prior operational experience, we have found that fair and impartial guidelines and neutral internally-developed processes combined with the proper execution of duties and evidence of a verifiable audit trail go a long way to prevent and minimize disputes.

[REDACTED]

[REDACTED] will oversee the day-to-day NANPA activities to ensure that each task is performed correctly and in accordance with industry guidelines and internal processes. In addition, all disputes made will be recorded and vigorously pursued [REDACTED]



[REDACTED]

If a satisfactory resolution cannot be reached, the dispute will be escalated to NANC or other higher authorities.

Requirement: Disputes may arise within industry numbering activities and the new NANPA may be requested to participate in its dispute resolution by providing guidance and/or historical data.

Lockheed Martin understands that, as the NANPA, we will be obligated to participate in the appropriate numbering forums and committees, such as INC and NANC. We will support these groups with information and expert testimony/consultation where appropriate. We understand that our role is to serve the industry as a whole in a neutral, evenhanded, and impartial manner. This support includes assisting the appropriate numbering forums, committees, NANC, and the FCC with any disputes by providing guidance, historical data/decisions, and analysis of existing guidelines and data.

Requirement: The amount of new NANPA involvement in this NANC dispute resolution process has not been determined as the NANC has not yet developed its process. The New NANPA will be required to provide information it has relative to the dispute to the appropriate group responsible for resolving the dispute.



We understand that the role of NANC is constantly changing and continuing to evolve. As the new NANPA, we will provide data that is relevant to all disputes brought to NANC or other appropriate groups or regulatory bodies. This data will include a description and origin of the dispute and potential resolutions. We will also provide historical data, such as precedent-setting decisions and prior resolutions to similar disputes. As the new NANPA, we remain ready to assist the industry, and its committees and governing bodies in resolving disputes in a timely, fair, and evenhanded fashion.

Conclusion

Lockheed Martin, as the new NANPA, will facilitate the dispute resolution process by: 1) leveraging our prior operational expertise; 2) developing neutral and evenhanded administration procedures; 3) faithfully adhering to all industry guidelines and internal processes; 4) recording all disputes and vigorously addressing them when they arise; and 5) escalating the disputes to the proper authorities and providing them with the relevant historical and background data.



7.0 ENTERPRISE SERVICES

HIGHLIGHTS

- Lockheed Martin enterprise services are fair and reasonably priced

- [REDACTED]

- [REDACTED]

As the new NANPA, Lockheed Martin will provide, in a reliable and evenhanded manner, high quality enterprise services that are fairly and reasonably priced.

Overview

We have extensive experience in offering ancillary (enterprise) services, such as end-user training and customized reporting, for all of our programs. These ancillary services are typically priced separately and are offered à la carte.

[REDACTED]

[REDACTED]



[REDACTED]

Using our highly relevant experience as a base, we will provide the required enterprise service—the input of rating and routing information into RDBS/BRIDS for requesting CO code applicants—and offer additional enterprise services, [REDACTED]

[REDACTED]

7.1 Operating Principles

Requirement: Follow the operating principles which apply to the provision of enterprise services.

We have carefully read the operating principles underlying the provision of enterprise services and agree to abide by all of them. We understand their necessity and the spirit behind the principles. First, all fees for enterprises will be fair and reasonable. Second, fees for identical services will be the same for all customers, this is a fundamental tenet of neutrality.

We understand that any enterprise service offered is indeed ancillary, and should not adversely affect the overall NANPA operations, duties, and basic responsibilities, nor our job function as



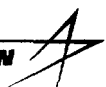
the new NANPA. Further, we understand that proprietary/confidential information/data should always remain confidential and not be used in the provision of any enterprise service.

Finally, we understand that NANC wishes to keep charges for base NANPA functions and enterprise services separate for auditing and business reasons. Hence, we understand that base NANPA charges will be billed and collected by the Billing and Collection Agent, and that enterprise service fees will be separately accounted for and collected directly by the new NANPA.

7.2 Required Enterprise Service

Requirement: Provide rating and routing input to the RDBS/BRIDS for code applicants that request the new NANPA to input the information contained in Part 2 of the CO Code Administration Guidelines.

As a part of the CO code assignment process, we understand that certain code applicants may wish for the new NANPA to review the information contained on the Central Office Code (NXX) Assignment Request and Confirmation Forms, assist in the preparation of the Central Office Code (NXX) Assignment Form, especially Part 2, and input the assignment information into RDBS/BRIDS. We understand that this service will be optional and offered only to those code applicants who request it. It is important to note that, according to the INC 95-0407-008 Central Office Code (NXX) Assignment Guidelines, as the new NANPA, we will have to apply for an OCN, and the requesting code applicant must identify Lockheed Martin as having



Administrative Operating Company Number (AOCN) responsibility before we can provide this enterprise service.

Requirement: Provide a proposed fee to be charged to the applicant requesting this service.



7.3 Optional Enterprise Services

As mentioned above, Lockheed Martin offers optional ancillary (enterprise) services as a part of all of our neutral third-party administrator activities for the telecommunications industry as well as in our other projects.



We plan to offer these and other types of enterprise services to complement our role as the new NANPA. We will develop these optional enterprise services based on input from NANC and the service providers. Oftentimes, we have found that our customers have some of the best ideas for offering ancillary and enhanced services. We expect that customer feedback and input will be cornerstones in shaping enterprise service offerings.

7.4 Auditing

Understanding the need to offer ancillary enterprise services that complement baseline NANPA functions and to keep the costs and charges for such services separate, we agree that an audit mechanism needs to be in place both internally to the NANPA as well as externally. As such, all resources, both system and human, that perform enterprise service activities will be tracked separately for ease in auditing. Also, requests for enterprise services will be separately recorded and tracked from start to finish through billing and collection to facilitate the audit process.

Requirement: Independent audit of enterprise service after the first year of operation and every two years thereafter.

As required, we will obtain an audit from an independent auditor after the first year of operations and every two years thereafter. Audits will include an evaluation of the validity and reasonableness of the costs recorded with respect to our provision of requested enterprise services.



8.0 BILLING AND COLLECTION AGENCY FUNCTIONAL REQUIREMENTS

HIGHLIGHTS

- Third party billing and collection agent [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- Internal quality controls ensure that assessments are calculated and billed correctly

[REDACTED] *these credentials*

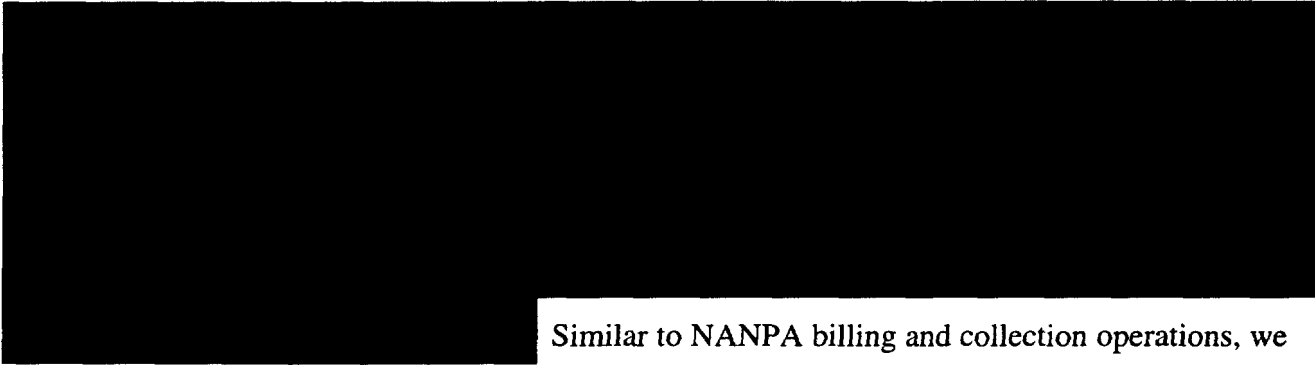

demonstrate our ability to process, calculate, bill, and collect funds for NANPA.

Overview


[REDACTED] In many of these



instances, we are highly visible, dealing directly with the public on behalf of state and local governments.



Similar to NANPA billing and collection operations, we must be familiar with a variety of governing laws and regulations, both at the Federal and State level, and disbursement methodologies. We believe that our existing billing and collections experience is directly applicable and highly relevant to the billing and collections for NANPA.



Billing System

Exhibit 8-1 provides a graphic summary of the features of our proposed NANPA Billing System.

As indicated in the Proposal Overview section at the beginning of our proposal, Lockheed Martin is bidding to be both the NANPA and the Billing and Collection Agent for NANPA. We believe that this approach has several advantages for the Industry:



LOCKHEED MARTIN'S NANPA BILLING AND COLLECTION SYSTEM

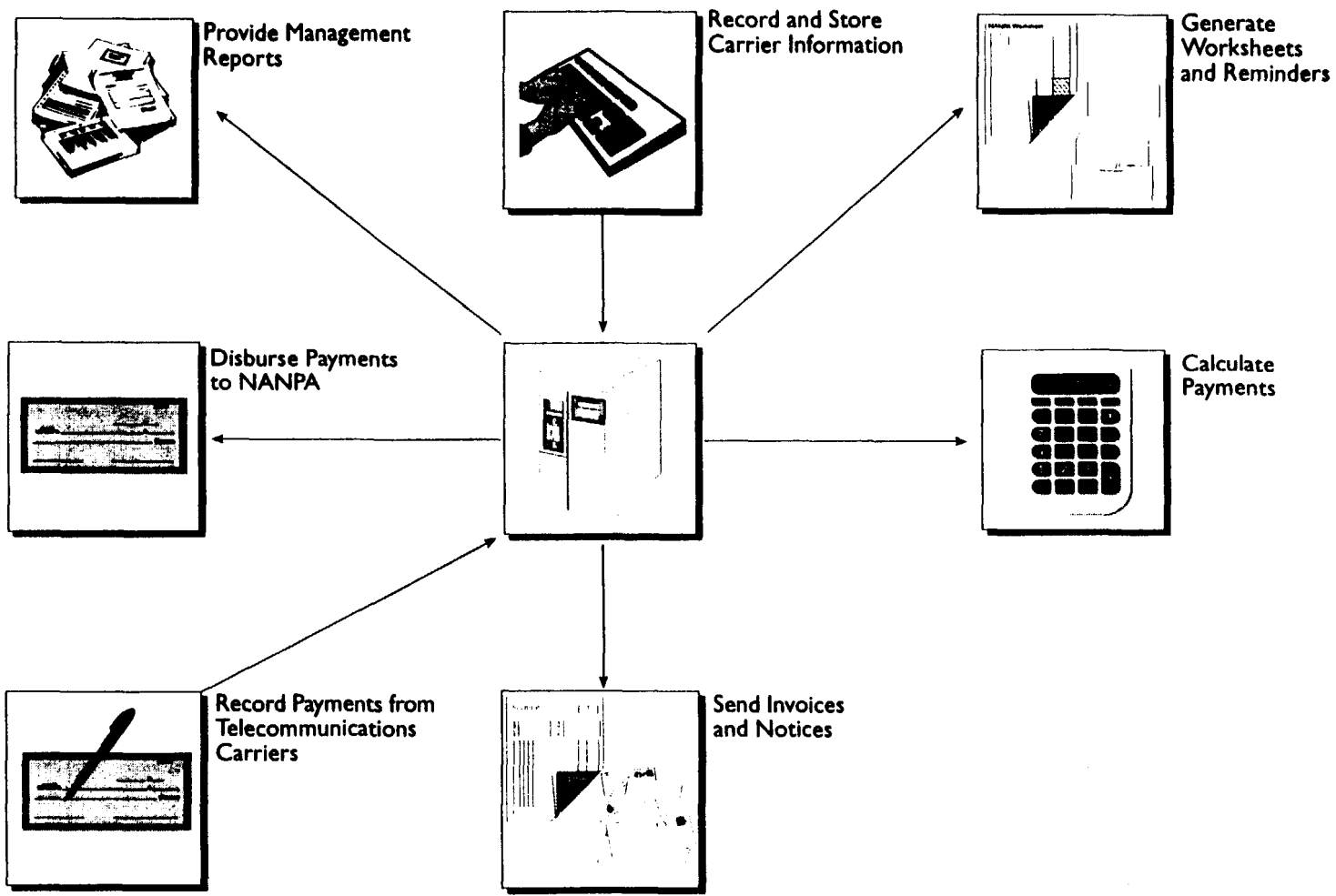
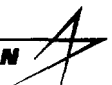


Exhibit 8-1. Lockheed Martin's billing and collection system provides the required NANPA billing and collection functionality.

Cost Savings—By combining the NANPA and Billing Collection Agent functions under one entity, infrastructure items, [REDACTED] can be consolidated, providing substantial cost savings.

Operational Efficiencies—The Billing and Collection Agent must collect and separately disburse funds to the NANP administrator. When these two functions are combined under one company, this separate disbursement function is essentially eliminated and so is the risk of accounting for variances in funds availability.

Consistency of Service—Carriers will only have to contact one entity for issues surrounding NANPA services and billing and collections, greatly simplifying the practices and procedures within the carriers. Also, even though carriers will receive separate bills both for NANPA services and any requested enterprise services, they will receive the bills from the same company. This reduces confusion, and the carriers will only have to call one number to resolve all billing issues.



8.1 Introduction

Requirement: Respondents must demonstrate compliance with Sections 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 2.0, 6.0, 9.1, 9.2., 9.3, 9.4, 9.5, and 10.0 in this Requirements Document, as well as with the other terms set forth in Section 8.0.

We are responding to and complying with all sections of the Requirements Document, including the terms set forth in this section (8.0).

8.2 General Responsibilities

We have carefully read and completely understand the general responsibilities in our role as the Billing and Collection Agent. We understand that:

- NANP activities support nations outside the U.S.
- Non-U.S. nations have other entities performing analogous and some overlapping NANPA-like activities, and will not be required to contribute to certain categories of cost
- Non-U.S. payments will be based on each nation's share of the total population of the NANP area, minus adjustments



- We will have to maintain an accurate list of U.S. telecommunications carriers
- U.S. telecommunications carriers will contribute to NANPA in a competitively neutral manner in accordance with CC Docket No. 96-98 (FCC 96-333)—initially, based on each telecommunications carrier's proportionate share of gross U.S.-based international, interstate, and intrastate revenues less any payments made to other carriers for telecommunications facilities and services
- U.S. telecommunications carriers will be responsible for self-reporting revenues
- We will have to develop a NANPA Worksheet, for approval by NANC, for carriers to self-report their revenues
- We will calculate each non-U.S. nation's share of NANPA costs
- We will calculate each U.S. telecommunications carrier's share of costs
- We will bill and collect directly from a single entity representing and within each non-U.S. nation
- We will bill and collect directly from each U.S. telecommunications carrier

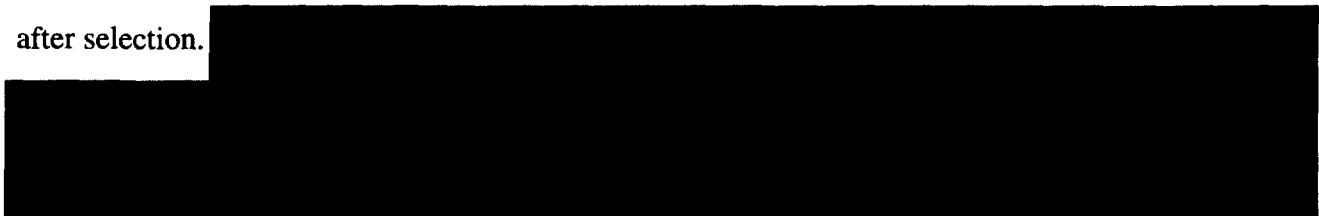


- We will disburse (internally because we are bidding on both functions) payments for NANPA services
- We will file annual reports to the FCC and other national government authorities as appropriate
- We will obtain outside independent audits.

We will perform all of the above functions as well as the specific activities required to fulfill our billing and collection obligations as identified in this Requirements Document.

Requirement: Collect payments for all functions associated with numbering administration described in this document for a period of five (5) years

We will bill and collect payments for all NANPA functions directly from U.S. telecommunications carriers. For non-U.S. nations, we will bill and collect payments directly from a representative identified by each nation's telecommunications carriers or government. We will perform billing and collection functions for a period of five years commencing 90 days after selection.



Requirement: Assess payments from all telecommunications carriers providing telecommunications services using their own facilities or the facilities and services of other telecommunications carriers.

For U.S. telecommunications carriers, as defined in Section 3 (44) of the Communications Act of 1934 and as amended in the Telecommunications Act of 1996, we will calculate, assess, bill, and collect payments based upon each carrier's proportionate share of gross U.S. international, interstate, and intrastate telecommunications revenues less any payments made to other telecommunications carriers for telecommunications facilities used to provide telecommunications services as provided in CC Docket 96-98, FCC 96-333, and other application law.

Requirement: Base Non-U.S. payments on each nation's share of the total population of the NANP area.

As required, [REDACTED] will calculate each nation's share of the total population of the NANP area, and render a bill for a single aggregate payment from a nation's representative. We understand that some non-U.S. nations may have entities, for example, Canada—the Canadian Numbering Administration (CNA)—that will perform their own central office code administration. Thus, these nations will not be responsible for costs associated with the administration of U.S. central office codes. Likewise, upon approval from the FCC, NANC,



or other authorized entity, other adjustments to a nation's share of NANP administration costs may be made.

Requirement: Obtain population estimates from a public source which is acceptable to the effected governments.

We will obtain population estimates from a public source, such as the U.S. Census Bureau or the United Nations, which is acceptable to the affected governments and approved by NANC or the contracting entity.

Requirement: Maintain and update a comprehensive list of U.S. telecommunications carriers.

Within our billing system, we will keep an accurate and comprehensive list of U.S. telecommunications carriers, which will be initially seeded from the list of carriers who contribute to the Telecommunications Relay Service (TRS) Fund, and carriers that provide intrastate telecommunications services.

Requirement: Monitor self-reporting from U.S. telecommunications carriers and take reasonable steps to identify non-complying carriers.



After developing the NANPA Worksheet, which meets the approval of NANC and the FCC, we will disseminate this worksheet to each U.S. telecommunications carrier for completion. At appropriate time intervals, we will mail reminders/notices to telecommunications carriers who have not complied by returning their completed worksheet. Also, where appropriate, we will contact carriers' points-of-contact for those carriers who have not complied. Management reports will be made available to identify those carriers who have and have not complied.

8.3 Qualities and Attributes

[REDACTED] Lockheed Martin IMS understands our responsibility to be fluent with all relevant legislation, regulations, and legal precedents. We are experienced in generally accepted accounting principles (GAAP), as well as OMB regulations. [REDACTED]

[REDACTED] we are well versed in relevant legislation governing local competition and number administration, including recent FCC Orders CC Docket No. 92-237 and CC Docket No. 96-98.

Requirement: Knowledge of all relevant legislation that bears on number administration and collecting funds and/or proprietary information from individual firms and foreign entities.



As previously stated, Lockheed Martin understands the relevant legislation on number administration and funds collection. Also, we are familiar with legislation, such as the Freedom of Information Act, which governs proprietary information from individual companies and foreign entities.

Requirement: Knowledge of all relevant FCC rules related to number administration, fund collection, and reporting requirements.

We are also knowledgeable in the relevant FCC rules and other industry guidelines (INC) pertaining to number administration. Likewise, we are familiar with the rules pertaining to fund collection and reporting. We will comply with all rules mandated by the FCC and NANC.

Requirement: Be familiar with any Office of Management and Budget rules and regulations that may directly impact the collection process.

As a major contractor to the federal government, we are completely familiar with Office of Management and Budget rules and regulations that may directly impact the collection process.

Requirement: Knowledge of generally accepted accounting standards and laws regarding fiduciary responsibility, privacy requirements, as well as other activities.



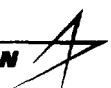
As a publicly traded company and fiscal agent for many state and local governments, we completely understand generally accepted accounting principles and laws regarding fiduciary responsibility and privacy requirements.

Requirement: Knowledge and understanding of cost recovery mechanisms used by the FCC or other federal agencies.

We have been actively involved in understanding the potential cost recovery mechanisms proposed by the FCC in the wake of local competition as well as the proposed methods of recouping costs for administering the NANP that have been defined in this Requirements Document.

8.4 Billing and Collection Agency Functional Requirements

We will use this system to: maintain the list of telecommunication carriers, disseminate NANPA Worksheets, generate follow-up reminders/notices, calculate assessments, generate initial and follow-up invoices, and manage financials, accounts receivable, and accounts payable. We have carefully read the billing



and collection agency functional requirements identified in the Requirements Document, and will perform them as explained in the remainder of this section (8.4).

Requirement: Design a standardized Reporting Worksheet for collecting information from telecommunications carriers.

We will design a standardized reporting worksheet (NANPA Worksheet) for collecting information from the carriers. The worksheet will be easy to understand and complete, so as to facilitate timely response from the carriers.

Requirement: Work with the appropriate NANC and FCC personnel in developing the Worksheet.

In developing the NANPA Worksheet, we will work with the appropriate NANC and FCC personnel. Shortly after selection, we will submit a draft worksheet for consideration and iteration with NANC and FCC personnel. Our initial vision of the worksheet is that it should be designed, where possible, for automated processing—for example, the use of bar codes. Also, in later years, certain fields, such as the carrier's billing contact and telephone number, could be pre-filled. Thus, carriers will only have to complete the worksheet with new information or information that has changed since the prior year.



Requirement: Submit Worksheet to the NANC and approved by the FCC.

As required, we will submit the NANPA Worksheet to the NANC for approval by the FCC.

Requirement: Understand and follow any necessary public notice requirements in disseminating the Worksheet to telecommunication carriers and other NANP nations.

To disseminate the NANPA Worksheet to telecommunication carriers and other NANP nations, we will follow the necessary public notice requirements. We will work with NANC to determine the best way to disseminate the worksheet to the carriers, including the possible posting of the worksheet on the NANPA, NANC, or FCC web pages.

Requirement: Develop procedures for monitoring industry compliance with the reporting requirements.

After the NANPA Worksheets have been disseminated, we will actively pursue and monitor compliance with reporting requirements. After a reasonable, pre-determined period of time, we will send reminder notices to those carriers who have not responded. Additionally, we will forward the identities of non-responding carriers to NANC and the FCC for resolution.



Requirement: Compute the payment for each contributing entity based on an approved formula which will allocate costs to countries.

After receiving acceptable population figures, worksheets from the carriers, and the cost allocation formula from NANC, assessments to U.S. telecommunications carriers and non-U.S. nations will be calculated.

Requirement: Develop any necessary corporate and international contacts required to facilitate cost recovery.

To facilitate cost recovery and collection activities, we will develop contacts with corporate personnel and the representatives of non-U.S. nations. Also, because we are proposing to be both the NANPA and the Billing and Collection Agent, the contacts that we will develop at INC, ITU, and other industry forums, will be useful in this regard.

Requirement: Propose specific procedures for addressing reporting failures or failures in making timely payments.

We will propose specific procedures, for NANC/FCC approval, to address carriers' failures in returning NANPA Worksheets as well as for carriers failing to make timely payments after assessment. Our initial thoughts include the sending of reminders and notices to elicit responses



from carriers. Additionally, we believe that some form of penalty should be implemented for failures to make payment.

Requirement: Develop procedure for computing, billing, and collecting each contributing entity's payment to the fund.

Standard procedures will be developed for computing, billing, and collecting payments. Procedures will be fair, reasonable, and automated within our Billing System. We will seek NANC's approval of the procedures that we will use to assess, bill, and collect from U.S. telecommunications carriers and non-U.S. nations.

Requirement: Design procedures for ensuring the validity of reported data.

Verifying the validity of self-reported data will be an important, time consuming, and painstaking task. To verify the data reported on NANPA Worksheets, we will seek to use public sources of information as well as regulatory filings.

